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## PRACTICE MANAGEMENT: Aggregators Help Rich Track Their Money

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By Kristen McNamara  
A DOW JONES NEWSWIRES COLUMN

NEW YORK (Dow Jones)--WealthTouch Inc. Chief Executive Norman Jones wants to help wealthy families keep better track of their money.

Monitoring complex investment portfolios, which can include hedge funds, real estate, limited partnerships and even cattle, is no simple task for investors or their financial advisers. Oversight has become even more challenging as families have spread their money across more asset classes and more financial institutions in an effort to hedge their risk.

Asset aggregation and reporting companies, like WealthTouch, collect data on these disparate assets into reports that families and their advisers can check online at any time.

Interest in these services has jumped in recent months as wealth management firms, struggling with reduced revenue, seek to manage costs and discontented clients, Jones says.

WealthTouch says it tracks \$15 billion for multi-millionaire families, up from \$400 million in mid-2008.

The company said this week it received \$11 million in capital from private backers, which it will use to spur the company's expansion in response to the increased demand for its services. The majority of the investment comes from families using the WealthTouch's reporting platform.

In addition to providing online reports that families can sort in different ways, WealthTouch employees can also interpret the data and answer investors' questions, such as why their accounts are up just 1% when the market is up 5%. (One possible answer: a large investment in an under-performing asset.)

"It's a service business," Jones says.

Many wealth management firms lack the technology to present the complete and real-time overviews that wealthy investors demand. Outside vendors can save them time and money.

"They are definitely interested in outsourcing some of the time-consuming tasks, like reporting, to a specialized firm," says Isabella Fonseca, senior analyst at research and consulting firm Celent.

The lack of consistency in the language and codes financial service institutions use to record transactions complicates the data collection process, says Bryan Gulyas, a product manager Private Client Resources, which provides account aggregation and reporting services.

Aggregation companies have developed systems to capture transactions efficiently and to ensure the accuracy of data.

With a broad view of a client's net worth, financial advisers can identify investment risks and opportunities, says Mark Rogozinski, chief executive of Rockefeller & Co.'s Rockit Solutions subsidiary.

But advisers shouldn't count on seeing all their clients' assets as families can determine who can access what pieces of information.

Most investors can keep tabs on their money by checking their brokerage and bank accounts online. The really rich want the same snapshot of their far-flung

assets. Wealth managers who don't provide this service will be at a disadvantage, Rogozinski predicts.

"It has become a very powerful tool," he says. "Individuals and families really want to know what does this all look like on one sheet of paper."

(Kristen McNamara writes Practice Management, a column that looks at ways financial advisers can build and improve their business. She can be reached at 212-416-2238 or by email at [kristen.mcnamara@dowjones.com](mailto:kristen.mcnamara@dowjones.com).)

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